

RECORDATION NO. 25906 FILED

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OCT 14 '05

4-15 PM

SURFACE TRANSPORTATION BOARD

ELIAS C. ALVORD (1942)  
ELLSWORTH C. ALVORD (1964)

OF COUNSEL  
URBAN A. LESTER

October 14, 2005

Mr. Vernon A. Williams  
Secretary  
Surface Transportation Board  
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Memorandum of Commercial Security Agreement, dated September 29, 2005, a primary document as defined in the Board's Rules for the Recordation of Documents.

The names and addresses of the parties to the enclosed document are:

Secured Party: First Mid-Illinois Bank & Trust  
12616 State Route 143  
Highland, IL 62249

Debtor: Midwest Railcar Corporation  
4949 Autumn Oaks Drive  
Suite B  
Maryville, IL 62062

Mr. Vernon A. Williams  
October 14, 2005  
Page Two

A description of the railroad equipment covered by the enclosed document  
is:

77 covered hoppers:

73 bearing NAHX reporting marks within the following series:

NAHX 10887 – NAHX 57459  
NAHX 466478 – NAHX 511648  
NAHX 800376 – NAHX 890720  
and PLCX 13859, TRNX 500622 and 500688, and USLX 20470

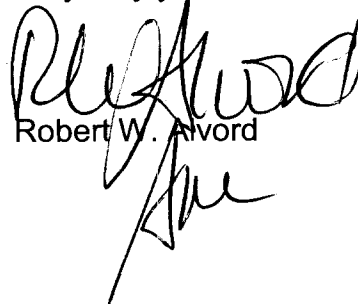
A short summary of the document to appear in the index is:

Memorandum of Commercial Security Agreement

Also enclosed is a check in the amount of \$33.00 payable to the order of  
the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the  
undersigned.

Very truly yours,

  
Robert W. Alvord

RWA/anm  
Enclosures

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SURFACE TRANSPORTATION BOARD

**MEMORANDUM OF COMMERCIAL SECURITY AGREEMENT**

**dated September 29, 2005**

**by and between**

**MIDWEST RAILCAR CORPORATION,  
as Debtor**

**and**

**FIRST MID-ILLINOIS BANK & TRUST, NA  
as Secured Party**

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## MEMORANDUM OF COMMERCIAL SECURITY AGREEMENT

**THIS MEMORANDUM OF COMMERCIAL SECURITY AGREEMENT** (this "Memorandum") is made this 29<sup>th</sup> day of September, 2005, by and between **MIDWEST RAILCAR CORPORATION**, an Illinois corporation ("Borrower"), and **FIRST MID-ILLINOIS BANK AND TRUST, NA**, a state-chartered Federal Reserve Member bank organized under the laws of the State of Illinois ("Bank").

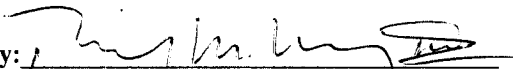
- A. The Borrower and the Bank are parties to that certain Loan Agreement dated as of September 29, 2005 (collectively, the "Loan Agreement"), pursuant to which the Bank agreed to make to the Borrower the loans described in the Agreement.
- B. To secure the Borrower's Obligations (as defined in the Loan Agreement) to the Bank, the Borrower executed and delivered to the Bank a Commercial Security Agreement dated as of September 29, 2005, pursuant to which the Borrower granted to the Bank a continuing, first priority security interest in and to, and lien on, the following collateral:
  - (a) Seventy-seven (77) covered hoppers described on Exhibit A attached hereto (each, a "Railcar", collectively, the "Railcars") and all replacements and substitutions thereof;
  - (b) All improvements, additions, modifications, accessions, attachments, appurtenances and parts appertaining or attached to the Railcars, whether now owned or hereafter acquired;
  - (c) All logs, books and records pertaining to the use, operation and/or maintenance of the Railcars or otherwise relating to any of the collateral described herein;
  - (d) All rights, claims and causes of action, if any, which the Borrower may have now or in the future against any manufacturer, rebuilder or seller of the Railcars (or any component thereof) or any other Person, by contract or otherwise, in respect of any defect in the Railcars or any part thereof;
  - (e) Any agreement now or hereafter entered into for leasing the Railcars to any third party, including, without limitation, Rider No. 088 dated August 1, 2005 to the Car Leasing Agreement No. 0325-33 (inadvertently referred to in the Lease as Car Leasing Agreement No. 0325-83) dated March 16, 1998 between the borrower as Lessor (pursuant to an Assignment and Assumption Agreement dated September 29, 2005 by and between General Electric Railcar Services Corporation, as Seller, and Midwest Railcar Corporation, as Buyer, whereby Seller sold all of its rights, title and interest in and to the Railcars to Buyer and assigned all of its rights and obligations under the Lease to Buyer) and Honeywell International, Inc., (as successor in interest to AlliedSignal, Inc.), as Lessee and the right to receive all payments and other sums due and to become due from time to time thereunder, to receive all notices and give consents, to exercise any election or option, to declare defaults and to demand payment of any sum due in connection therewith;
  - (f) All rent, damages and other moneys from time to time payable to or receivable by the Borrower in respect of the Railcars;
  - (g) All proceeds (cash and non-cash), including insurance proceeds, settlement proceeds and condemnation awards thereof.

**(SIGNATURES APPEAR ON THE FOLLOWING PAGE)**

IN WITNESS WHEREOF, the parties have caused this Memorandum to be executed as of the date first above written.

WITNESS:

MIDWEST RAILCAR CORPORATION

By:   
Richard M. Murphy, III, President

WITNESS:

FIRST MID-ILLINOIS BANK AND TRUST, NA

Karen J. Ward


By:   
Gordon D. Smith, Regional President

STATE OF MN, City of Elk River

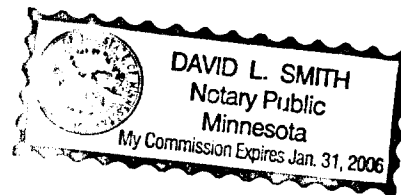
On this 29<sup>th</sup> day of September, 2005, before me, a Notary Public of the County and State aforesaid, personally appeared Richard M. Murphy, III, to me personally known, who being by me duly sworn, says that he is the President of Midwest Railcar Corporation, an Illinois corporation, that the seal affixed to the foregoing instrument is the seal of said association, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and the acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

AS WITNESS my hand and notarial seal

(Seal)

  
Notary Public

My commission expires: 1-31-06



STATE OF ILLINOIS, County of Madison

On this 29<sup>th</sup> day of September, 2005, before me, a Notary Public of the County and State aforesaid, personally appeared Gordon D. Smith, to me personally known, who being by me duly sworn, says that he is a Regional President of FIRST MID-ILLINOIS BANK AND TRUST, NA, that the seal affixed to the foregoing instrument is the seal of First Mid-Illinois Bank and Trust, NA, that said instrument was signed and sealed on behalf of First Mid-Illinois Bank and Trust, NA by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of First Mid-Illinois Bank and Trust, NA.

AS WITNESS my hand and notarial seal

(Seal)



My commission expires

Kristin Schmidt  
Notary Public

**EXHIBIT "A"**

**DESCRIPTION OF RAILCARS**

Seventy-seven (77) covered hoppers bearing reporting marks as follows:

NAHX 10887	NAHX 480568	NAHX 510260
PLCX 13859	NAHX 480962	NAHX 510264
USLX 20470	NAHX 482101	NAHX 510366
NAHX 46167	NAHX 482629	NAHX 510371
NAHX 46740	NAHX 483533	NAHX 510389
NAHX 46950	NAHX 484977	NAHX 510411
NAHX 49155	NAHX 485117	NAHX 510424
NAHX 49260	NAHX 487106	NAHX 510428
NAHX 49346	NAHX 487385	NAHX 510429
NAHX 56163	NAHX 487420	NAHX 510439
NAHX 56175	NAHX 487465	NAHX 510472
NAHX 57459	NAHX 487642	NAHX 510476
NAHX 466478	NAHX 488634	NAHX 510481
NAHX 475163	NAHX 488747	NAHX 510484
NAHX 476359	NAHX 490078	NAHX 510485
NAHX 478911	NAHX 490389	NAHX 510515
NAHX 478914	TRNX 500622	NAHX 510564
NAHX 478928	TRNX 500688	NAHX 511468
NAHX 478942	NAHX 510121	NAHX 800376
NAHX 479216	NAHX 510144	NAHX 800443
NAHX 479307	NAHX 510164	NAHX 890720
NAHX 479369	NAHX 510196	
NAHX 479617	NAHX 510209	
NAHX 479629	NAHX 510218	
NAHX 479799	NAHX 510220	
NAHX 480091	NAHX 510225	
NAHX 480236	NAHX 510229	
NAHX 480415	NAHX 510252	